

ON-SITE SYSTEMS, INC.

A PUBLIC UTILITY CO.

OFFICE SECRETARY
EXECUTIVE SECRETARY
EXECUTIVE SECRETARY

June 7, 2001

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

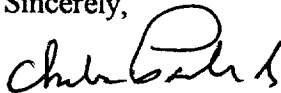
RE: Docket # 01-00423 – Petition of On-Site Systems, Inc. to amend its Certificate of Convenience and Necessity – Wears Valley

Dear Mr. Waddell:

In response to your request dated May 21, 2001 to clarify some issues presented by the staff on the above-referenced case. Our response is as follows:

1. Please find attached two letters from the City of Pigeon Forge City Manager's Office and Sevier County's Executive Office stating that they have no plans to provide service for the next twelve months.
2. The expenses that On-Site Systems incurs for the filing of petitions are paid by the developer of each territory. Per the contract with the developer, the cost of construction is increased by ten percent (10%) to cover costs such as securing the service area, reviewing the engineering design and inspecting the construction. A copy of the contract is attached for your review.

Sincerely,



Charles Pickney, Jr., President
On-Site Systems, Inc.

7638 River Road Pike Nashville TN 37209-5733
(615) 356-7294 Fax (615) 356-7295



March 19, 2001

Mr. Michael Hines, M.S., P.E.
Southeast Environmental Engineering, LLC
1920 Breezy Ridge Trail
Concord, Tennessee 37922

Subject: Four Seasons Properties of Tennessee
Wears Valley – 900 Acres

Dear Mr. Hines:

This letter serves to address the request outlined in your letter of March 15, 2001, regarding sewer service to the above referenced property.

The City of Pigeon Forge has no plans to extend sewer service to this area within the next 12 months.

If further information is needed, please let me know.

Sincerely,

CITY OF PIGEON FORGE

Earlene M. Teaster

Earlene M. Teaster
City Manager

ETM:sg

xc: Mark Miller, Director of Public Works
Mike Blazer, Director, Sevier County Health Dept.



SEVIER COUNTY

LARRY WATERS
County ExecutiveRoom 201E
125 Court Avenue
Sevier County Court House
Sevierville, Tennessee 37862
Office: (865) 453-6136
Home: (865) 436-4796
FAX: (865) 453-6830

May 29, 2001

To Whom It May Concern,

Sevier County does not have any plans to provide sewer services to the following areas within the next twelve months.

1. 270 acres of development south of Upper Middle Creek Road by Four Seasons Properties of Tennessee and east of Pigeon Forge. The area identified as parcels 56-95, 40-106 and parcel 42-106 on the attached map.
2. Wears Valley, the property of Rob Thompson. The area identified as parcel 7 on the attached map.
3. Wears Valley, 900 acres of development by Four seasons Tennessee. The area identified as 4-5-112 on the attached map.

If anyone should have questions, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Larry Waters", is positioned above the printed name.

Larry Waters
County Executive

Enclosure

SEWER CONTRACT FOR SUBDIVISION

This AGREEMENT, made and entered into this _____ day of _____, 19____, by and between Onsite Systems Inc., a Tennessee Corporation, hereinafter referred to as "Utility" and _____, hereinafter referred to as "Developer".

WITNESSETH

For and in consideration of the construction costs hereinafter mentioned and the mutual promises of the parties hereinafter contained, particularly that the Utility will in the future be responsible for repair, maintenance and replacement of said sewers herein provided for, and to maintain the total system, and other good and valuable considerations, the receipt of all which is acknowledged, the parties hereto have entered into the following agreement:

The developer is to install said sewers, etc. in accordance with drawings, plans, and specification as shown on the plat of subdivision which is attached hereto, and the plans and specification as approved by the Utility's engineers, which said plans and specifications are attached hereto and made a part of this contract.

The developer is to perform all of the necessary work for the installation of said sewers, completely install the same at no cost whatsoever to the Utility, all in accordance with plans and specifications hereinabove referred to, and for that purpose has entered into a contract for completion of this work. In addition, the developer is to provide bonding for the sewer system construction that is acceptable to the local planning authority and the utility.

All construction begun, continued and completed hereunder shall be subject to the supervision and approval of the Utility's engineers and representatives who shall have a continuous right of inspection throughout the progress of the work. No pipe, fittings, or connection shall be covered until inspected and approved by the Utility.

It is specifically understood and agreed that all installation costs, for said installation, shall be paid for by the Developer.

In the event of change in the drawings or plat of the subdivision by agreement of the parties, prior to the actual installation of the facilities provided for in the plans and specifications, then such change shall be deemed incorporated in this contract, as though set out verbatim herein, and a copy of said changed plans shall be attached to this contract and made a part hereof. It is further understood that such changed plans, if any, may be looked to for a total description of the properties conveyed to the Utility by the Developer.

In addition to the costs of the installation herein provided for, the Developer hereby agrees to pay to the Utility upon execution of this contract ten percent of the estimated cost of said construction, being \$_____, which is to cover the Utility's inspection, overhead, administrative, legal and other service costs.

The Developer further agrees:

(1) That the Developer will immediately repair at its own cost and expenses all breaks, leaks or defects of any type-whatsoever arising from any cause whatsoever occurring within one (1) year from the date said lines, mains, valves, fittings, etc. are accepted by the Utility; and that upon failure of the Developer to take immediate steps to make such repairs the Utility is authorized to make such repairs or to have such repairs made at the cost and expense of the Developer.

(2) That the Developer will include in the sales contract with the purchaser of each lot the requirement to pay to the Utility an annual fee of \$84.00 per sewer tap to defray the costs of testing and reporting to the state as the subdivision is built out. The Developer or lot owner will pay an annual fee of \$84.00 per sewer tap for each lot owned that is not attached to the sewer. The above sewer access fee will be payable each year by December 15th for owners of record as of December 1st. When each lot owner attaches to the sewer tap and signs up for service, they will pay a prorated access fee for that year and thereafter the fee will not be charged.

(3) That the obligations of the developer hereunder are in addition to and not in lieu of the obligations of the Developer to pay all rates, charges, and fees and satisfy all obligations set forth in the Utility's Schedule of Rates, Charges, and Fees in effect at the date such obligations arise.

Service connections for all service sewers to the property line of each lot in said subdivision shall be installed by the Developer as a part of the construction contract. Watertight tanks and service connection lines may be installed by builder or Developer at their respective expense.

The Utility retains exclusive right to extend these sewers at any time it sees fit.

Upon the completion of the installations contracted for herein, the Developer hereby represents and warrants that same shall be paid for in full and that no liens or encumbrances shall remain for the installation of said work.

By the execution of this agreement, the developer hereby represents and warrants that said sewerage system will be installed in accordance with the foregoing provisions and the plans and specifications above mentioned, and that written easements will be provided

five feet (5') in width on each side of the center line of all sewers installed hereunder other than sewers along the public right-of-way.

It is agreed that the Utility shall have exclusive title and ownership of all of said sewers in the subdivision and the Developer hereby conveys to the Utility, free and clear of all encumbrances all of said equipment and installations dealt with herein without the necessity of any further contract, or deed. The Developer shall, upon request of the Utility, execute and deliver a Deed of Conveyance of all said property, suitably acknowledged for registration.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the day and date first above written.

By: _____

President, Onsite Systems, Inc.

By: _____
